

Disclosure Packet Fees

Proposal by Del Watts

Bring self-managed associations under the same disclosure packet fee structure and provisions that apply to professionally-managed associations in §55-509.6, except in a case when a self-managed association exercises the option as provided in the last sentence of §55-509.7(A) of informing a requestor of electronic delivery that such delivery is not available, in which case all provisions of §55-509.7 would apply.

Besides equitable compensation, a secondary effect of this legislation would be to significantly reduce the instances of requiring the payment of fees to a self-managed CIC upon delivery of the disclosure packet. Most would now be paid at settlement, except if a self-managed CIC cannot meet a request for electronic delivery.

Summary of current language:

“The current language authorizes professionally managed associations to charge fees associated with the preparation of disclosure packets, including inspections, that are not provided for self-managed associations. In addition, the fees for professionally managed associations are adjusted by the Board every five years in accordance with Consumer Price Index to account for inflation, but a similar provision is not included for self-managed associations.” “Because the required materials contained in a Disclosure Packet may run over 100 pages, the current language does not accurately capture a self-managed association’s cost for preparation of the disclosure packet. In addition, self-managed associations must provide as many copies as the seller desires without compensation for the additional copies. The self-managed association provisions also do not address electronic copies for the disclosure packet.”

(Excerpts from information prepared by DPOR for the Common Interest Community Board 6/2/16 meeting)

DPOR also provided the chart below summarizing the maximum fees presently in the Code. The third column is added to show adjustments to date made in accordance with the Consumer Price Index.

Professionally Managed (§55-509.6)			Self-Managed (§55-509.7)	
	Code	Current as CPI adjusted		
Preparation and delivery – paper format	\$150	\$163.97	Preparation - .10/page or ...	\$100
Preparation – electronic format	\$125	\$136.64		
Expedite fee	\$50	\$54.66		
Additional hard copy	\$25	\$27.33		
Commercial delivery	At cost			
Post-closing records update fee	\$50	\$54.66		
Update to disclosure packet	\$50	\$54.66	Update to disclosure packet	\$50
Additional inspection	\$100	\$109.31	Additional inspection	\$50

Current Code has the same provisions for both self-managed and professionally-managed CICs

- regarding unpaid fees in subsections (B) that they are assessed against the lot collectible in accordance with §55-516; and
- *designating* that it is the seller who specifies electronic or hard copy.

		<u>Number</u>	<u>Percent of Type</u>	<u>Percent of Total</u>
PROF	A 1 to 50			
		1,429	34.79%	24.97%
	B 51 to 100			
		1,012	24.64%	17.68%
	C 101 to 200			
		968	23.57%	16.91%
	D 201 to 500			
		605	14.73%	10.57%
	E 501 to 1000			
		144	3.51%	2.52%
	F 1001 to 5000			
		67	1.63%	1.17%
	G 5001 or greater			
		3	0.07%	0.05%
		4,107		
SELF	A 1 to 50			
		975	60.30%	17.03%
	B 51 to 100			
		291	18.00%	5.08%
	C 101 to 200			
		197	12.18%	3.44%
	D 201 to 500			
		101	6.25%	1.76%
	E 501 to 1000			
		29	1.79%	0.51%
	F 1001 to 5000			
		38	2.35%	0.66%
	G 5001 or greater			
		6	0.37%	0.10%
		1,617		
		5,724		
				28.58%